

Article - Real Property

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§11A–110.

(a) Time-share expenses must be assessed against all time-shares in accordance with the time-share instrument. Any past due assessment shall bear interest at the rate established by the managing entity or time-share instrument not to exceed 18 percent per year.

(b) To the extent required by the time-share instrument, any time-share expense benefiting fewer than all of the time-share owners must be assessed exclusively against the time-share owners benefited.

(c) Assessments to pay a judgment against the association may be made only against the time-share estate owners of record in the time-share estate project at the time the judgment was entered, in proportion to their time-share expense liabilities.

(d) If any time-share expense is caused by the misconduct of any time-share owner, the association may assess that expense exclusively against that owner.

(e) (1) (i) If the applicable time-share instrument so provides, a person who has a duty to make assessments for time-share expenses has a lien on a time-share for any assessment levied against that time-share or fines imposed against its owner from the time the assessment or fine becomes due, effective upon recording.

(ii) As to a time-share estate, assessments, interest, late charges, costs of collection, and reasonable attorney's fees may be enforced by the imposition of a lien under the Maryland Contract Lien Act. Liens may be enforced and foreclosed in a separate proceeding against an individual time-share estate or enforced and foreclosed in a single proceeding against some or all time-share estates in the same project whose owners are in arrears in payment of assessments. Enforcement and foreclosure of a number of liens under a single proceeding does not alter the individual rights of an owner, including the right to receive any surplus from the sale that the owner would be entitled to receive under a separate proceeding against an individual time-share estate, or the rights of the person enforcing the liens. Suit for any deficiency following foreclosure may be maintained in the same proceeding, and suit for any money judgment for unpaid assessments may also be maintained in the same proceeding without waiving the right to seek a lien under the Maryland Contract Lien Act.

(iii) As to a time-share license, the person who has the duty to make assessments shall have the rights of a secured party under § 9-504 of the Commercial Law Article to sell, lease, or dispose of the time-share license. Unless the time-share instrument otherwise provides, fees, charges, late charges, fines, and interest charged are enforceable as assessments under this section.

(iv) If an assessment is payable in installments, the full amount of the assessment is a lien from the time the first installment becomes due provided that within 15 days of an owner's failure to pay an installment, that person who has a duty to make assessments notifies the owner that, if the owner fails to pay any installment within 15 days of the notice, full payment of the remaining annual assessment will then be due and shall constitute a lien on the unit as provided in this section.

(2) The lien is perfected upon recordation of a claim of lien, with respect to the time-share estate, among the land records of the county in which the time-share unit is situate, or with respect to the time-share license, among the financing records in the county in which the time-share unit is situated. The claim of lien shall state the description of the time-share unit, the name of the record owner, the amount due, and the period for which the assessment was due. The claim of lien shall also state that notice of intent to perfect the lien, giving the time-share owner an opportunity to dispute the amount of the assessment, was sent to the last known address of the owner not less than 10 days prior to recordation. The claim of lien shall be signed and verified by an officer or agent of the association. On full payment of the assessment and other permitted amounts for which the lien is claimed, the unit owner shall be entitled to a recordable satisfaction of the lien in any form used for the release of mortgages in the county in which the condominium is located. Fees and charges imposed under this section are enforceable as assessments under this section.

(3) A lien for unpaid assessments is extinguished unless proceedings to enforce the lien are instituted within 3 years after the assessments become payable.

(4) An action may not be brought to foreclose a lien except after 10-days' written notice to the time-share owner given by registered mail, return receipt requested, to the last known address of the owner. Notice shall be deemed given even if delivery of the letter is refused by the addressee or any co-owner of the time-share.

(5) A judgment or decree in any action brought under this section may include costs and reasonable attorney's fees for the prevailing party.

(6) A person who has a duty to make assessments for time-share expenses shall furnish a time-share owner upon written request as often as quarter annually a recordable statement setting forth the amount of unpaid assessments

currently levied against his time-share. The statement shall be furnished within 10 business days after receipt of the request and is binding in favor of persons reasonably relying thereon.

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